



## **Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report**

**Applicant:** QCB Organic Incorporated (QCB)  
**Program :** National Organic Program - Accreditation for Organic Certification  
Organizations- Initial On-site Audit  
**Location(s):** Edmonton Alberta Canada  
**Audit Date(s):** August 17-20, 2004  
**Audit File Number:** NP4230DDA  
**Action Required:** Yes  
**Auditor(s):** Steve Ross – Lead Auditor, Samantha Simon – Auditor  
**Contact & Title:** Corinne Fletcher, Organic Certification Manager  
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### **AUDIT ACTIVITIES**

On August 17-20, 2004, representatives of the USDA, AMS, LS Audit, Review, and Compliance (ARC) Branch conducted an on-site audit of the QCB Organics Inc. (QCB) Organic Certification Program, Edmonton, Alberta Canada. The purpose of the audit was to assess QCB's compliance to the USDA, AMS 7 CFR Part 205, National Organic Program (NOP). The audit also included observations and interviews of QCB's certification and inspection activities at the Little Red Hen Mill, New Norway, Alberta Canada. This inspection of Little Red Hen Mill was a renewal NOP organic inspection conducted by contracted inspector Jack Reams. The farm consisted of approximately 1800 acres of wheat, peas, rye, hay, flax, faba beans, oats, and pasture ground. The scope of the audit was expanded to include the NOP annual review that is required to be sent in by QCB on or before their anniversary date. QCB was compiling the same information for submission as was reviewed during the on-site audit except for the corporate structure, as QCB was recently purchased by QMI, a Management Systems Registration Company.

QCB is a private for profit business that was accredited as a certifying agent by the National Organic Program for crops, wild crops, livestock, and handling/processing operations on September 10, 2002. QCB currently has 31 clients certified to the NOP in crops, livestock, and handling/processing. QCB organic program procedures, policies, client documentation, certification decisions, and records were reviewed during the audit with Organic Certification Manager, Corinne Fletcher. The audit documentation is on record and available for review (**NP4230DDA Audit Documentation**).

### **FINDINGS**

Records reviewed, interviews conducted and observations found that QCB was operating under the guidelines of the NOP except as noted in the findings. Two (2) Minor non-compliances and three (3) continuous improvement points were identified during the audit. There were no outstanding non-compliances from the accreditation audit to review.

#### **Non-compliances:**

**NP4230DDA.NC1 – Minor – 205.405(d)** – The denial of certification must state the reason for the denial ... and the right of the client to reapply, request mediation, or file an appeal. *The letter supplied by QCB to the clients for denial does not list the rights of the client.*

**NP4230DDA.NC2 – Minor – 205.501(a)(11)(v)** – Requires all persons... to complete a conflict of interest disclosure report. *One inspector had not listed his other business which dealt with agriculture as a possible conflict of interest. It was noted however that there were no conflicts identified during the audit.*

**Continuous Improvement Points:**

**NP4230DDA.CIP1** – QCB had issued minor non-conformances to clients with the required time frame “before the next annual inspection.” Two clients had submitted corrective action by just informing QCB of what the corrective action was without any objective evidence to support the corrective action. QCB was waiting for the next on-site inspection to verify the corrective action.

**NP4230DDA.CIP2** – Inspectors need to not only use the inspection checklist supplied by QCB but the inspector needs to verify all information supplied by the client in the organic system plan. It was noted that one client’s organic system plan stated “some paraciticides (Ivermectrin) might be used on the brood cows”. The inspection checklist from the inspector showed that no paraciticides were used. It was not clear if the inspector verified that the client knew the NOP requirements for paraciticides.

**NP4230DDA.CIP3** – 205.501(a)(7) – Management reviews revealed that the tracking of packages sent by QCB was a problem. The preventative and corrective action was to change the delivery system and change the manual procedures. QCB did change the delivery system but failed to change the manual procedures. The internal audit conducted by QCB did not reveal that the procedural changes had not been conducted.

**RECOMMENDATIONS:**

Based on the audit findings the audit team recommends the continuation of QCB as an accredited certifying agent by the NOP with the condition of addressing the non-compliances as directed by the National Organic Program.